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CAMERON PARISH WATERWORKS  
DISTRICT No.2

FINANCIAL STATEMENTS

December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/9/06

CAMERON WATERWORKS District No. 2  
December 31, 2005

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CAMERON PARISH WATERWORKS DISTRICT NO 2

December 31, 2005

### Management's Discussion and Analysis

My discussion and analysis of the Cameron Parish Waterworks No 2 (the District) financial performance provides an overview to the District's financial activities for the year ended December 31, 2005. Please read in conjunction with the District's basic financial statements which begin on page 9.

#### Financial Highlights

- \* The District's net assets decreased by \$140,404 or approximately 13.83% during the year ended December 31, 2005. The decrease in net assets is attributable to a downturn in berthing fees interest income, and a reduction in other operating revenue coupled with an increase in repairs, equipment destruction maintenance and salaries expense due to Hurricane Rita.
- \* While total net assets decreased by about 13.83%, there was also a increase of \$205,782 in unrestricted net assets. Unrestricted net assets are those assets available to meet the day- to day operating needs of the District. This was caused by the factors previously noted.

#### Using This Annual Report

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the District's financial performance and activities for the year ended December 31, 2005. The basic financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- \* The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- \* The Statement of Activities presents information showing how the District's net assets changes during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- \* The Statement of Cash Flows presents information showing how the District's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

See Independent Auditor's Report

## **Financial Analysis of the District as a Whole**

A summary of net assets is presented on the next page.

See Independent Auditor's Report

## CAMERON PARISH WATERWORKS No. 2

December 31, 2005

## Management's Discussion and Analysis

Table 1  
Net Assets

	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Current Assets	\$ 415,378	\$ 209,371	98.99%
Restricted assets	199,724	488,861	( 59.15%)
Capital assets, net of depreciation	<u>301,935</u>	<u>363,388</u>	<u>( 16.91%)</u>
Total Assets	\$ <u>917,037</u>	\$ <u>1,061,560</u>	<u>( 13.61%)</u>
Current liabilities	\$ 35,012	\$ 34,788	(0.64%)
Current liabilities payable from restricted assets	7,333	11,736	37.52%
Noncurrent liabilities	<u>---</u>	<u>---</u>	<u>----%</u>
Total Liabilities	<u>42,345</u>	<u>46,524</u>	<u>8.98%</u>
Invested in capital assets	301,935	363,388	( 16.91%)
Unrestricted net assets	380,365	174,583	117.87%
Restricted-Meter Deposits	13,678	7,751	76.47%
Restricted Construction Fund	<u>178,714</u>	<u>469,374</u>	<u>( 61.93%)</u>
Total Net Assets	\$ <u>874,692</u>	\$ <u>1,015,096</u>	<u>( 13.83%)</u>

Invested in capital assets represent the District's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

A summary of changes in net assets is presented below for the years ended December 31, 2005 and 2004.

Table 2  
Changes in Net Assets

	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Operating revenues			
(charges for services, fees and other)	\$ 56,110	\$ 141,506	(152.19%)
Non-operating revenues			
(government subsidies and interest income)	<u>117,451</u>	<u>102,032</u>	<u>(15.11%)</u>
Total Revenues	<u>173,561</u>	<u>243,538</u>	<u>(28.73%)</u>
Operating expenses			
Depreciation	21,785	25,453	14.41%
Other	<u>292,180</u>	<u>340,698</u>	<u>14.24%</u>
Total Expenses	<u>313,965</u>	<u>366,151</u>	<u>14.25%</u>
Change in net assets	\$ <u>(140,404)</u>	\$ <u>(122,613)</u>	<u>(14.51%)</u>
See Independent Auditor's Report			

**CAMERON WATERWORKS DISTRICT NO 2**  
**December 31, 2005**

**Management's Discussion and Analysis**

**Capital Assets**

At December 31, 2005 and 2004, the District had \$301,935 and \$363,388 respectively, invested in capital assets, including land, buildings, improvement, equipment, furniture and fixtures at net value after depreciation. There were \$236,451 in deletions during the year ended December 31, 2005 due to destruction from Hurricane Rita.

**Current Liabilities Payable from Restricted Assets**

The District's current liabilities payable from restricted assets had changed by \$4,403 or 37.52%.

**Other Currently Known Facts, Decision, or Conditions**

In management's opinion the cash balance that the District has acquired will be maintained under present operating projections after suffering a significant decrease due to damages and clean up costs from Hurricane Rita.

**Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Cameron Waterworks District No.2 at P.O. Box 334: Hackberry, La. 70645

See Independent Auditor's Report

**ELLIOTT & ASSOCIATES, INC.**  
*A Professional Accounting Corporation*  
P. O. Box 1287  
Leesville, Louisiana 71496-1287

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W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cameron Parish Waterworks District No. 2

I have audited the accompanying basic financial statements of the Cameron Parish Waterworks District No. 2, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Cameron Parish Waterworks District No. 2's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Waterworks District No. 2 as of and for the year ended December 31, 2005, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



In accordance with Government Auditing Standards, I have also issued my reported dated June 22, 2006 on my consideration of the Cameron Waterworks District No. 2's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana

June 22, 2006

## BASIC FINANCIAL STATEMENTS

## CAMERON PARISH WATERWORKS District No. 2

## STATEMENT OF NET ASSETS

December 31, 2005

ASSETS**ASSETS****Current assets**

Cash and cash equivalents (Note 2)	\$ <u>81,782</u>
Receivables (Note 3):	
Water service customers (Note 3)	10,107
Ad valorem taxes (Note 3)	163,560
State revenue sharing (Note 3)	1,103
Accrued interest (Note 3)	1,736
FEMA (Note 3)	<u>157,090</u>

**Total current assets** 415,378

**Restricted assets**

Cash-meter deposits (Note 2)	21,011
Cash-construction fund (Note 2)	<u>178,713</u>

**Total restricted assets** 199,724

**Noncurrent assets**

Capital assets, net of accumulated depreciation (Note 4)	<u>301,935</u>
	<u>301,935</u>

**Total noncurrent assets**

**TOTAL ASSETS** \$ 917,037

The accompanying notes are an integral part of this statement.

**LIABILITIES****Current liabilities**

Accounts payable	\$ 21,242
Sales taxes payable	234
Salaries payable	7,115
Deferred revenue	3,107
Retirement deductions payable	<u>3,314</u>

**Total current liabilities** 35,012

**Current liabilities payable from  
restricted assets:**

Customer deposits payable	<u>7,333</u>
---------------------------	--------------

**Total current liabilities payable  
from restricted assets** 7,333

**TOTAL LIABILITIES** 42,345

**NET ASSETS**

Invested in capital assets	301,935
Restricted - meter deposits	13,678
Restricted - construction fund	178,714
Unrestricted	<u>380,365</u>

**TOTAL NET ASSETS** \$ 874,692

EXHIBIT B

CAMERON PARISH WATERWORKS District No. 2  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
For the year ended December 31, 2005

**OPERATING REVENUES**

Charges for sales and services:

Water sales \$ 56,110**Total operating revenues** 56,110**OPERATING EXPENSES**

Current:

Salaries and related benefits 155,226Per diem of board members 4,020Operation of plant 132,934Depreciation (Note 4) 21,785**Total operating expenses** 313,965**OPERATING LOSS** (257,855)**NON-OPERATING REVENUES (EXPENSES) :**Ad valorem taxes (Note 3) 103,593State revenue sharing 3,309Berthing fees 1,085Interest income 9,464**Total nonoperating  
revenues (expenses)** 117,451**NET DECREASE IN NET ASSETS** ( 140,404)**NET ASSETS - BEGINNING OF YEAR** 1,015,096**NET ASSETS - END OF YEAR** \$ 874,692

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS District No. 2  
Statement of Cash Flows  
For the year ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	58,664
Cash payments to suppliers	
For goods and service	(481,110)
Cash payments to employees for services	<u>(168,048)</u>
Net cash provided by operating activities	<u>(590,494)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net cash from noncapital financing activities	
State revenue sharing	2,206
Federal revenue sharing	---
Ad Valorem taxes	90,332
Net cash used by noncapital financing activities	<u>92,538</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	<u>236,461</u>
Net cash used by capital financing activities	<u>236,461</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>9,067</u>
Increase in cash	(252,428)
CASH, BEGINNING OF YEAR	<u>533,934</u>
CASH, END OF YEAR	<u>\$281,506</u>
CLASSIFIED AS:	
Unrestricted	\$ 81,782
Restricted	<u>199,724</u>
TOTAL CASH	<u>\$281,506</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS District No. 2  
Statement of Cash Flows  
For the year ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (256,969)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	175,008
Changes in assets and liabilities:	
Accounts receivable	( 2,552)
Accounts payable	14,343
Misc. Income	200
Other receivables	(157,090)
Other current liabilities	(12,787)
Retirement deductions payable	( 4,403)
Deferred revenue	( 1,676)
Customer deposits	<u>( 344)</u>
Net cash provided by operating activities	<u>(590,494)</u>

CAMERON PARISH WATERWORKS District No. 2  
December 31, 2005

Notes to the Financial Statements

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Cameron Waterworks District No 2 is a political subdivision of the Cameron Parish Police Jury. The District is governed by a board of commissioners, composed of five members, who serve with compensation and are appointed for terms of my years by the Cameron Parish Police Jury.

The financial statements of the Cameron Parish Waterworks District No 2 have been prepared in conformity with accounting principles generally accepted in the United States of American (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

GASB Statement No. 14, The Reporting Entity, as amended, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit, since it is a subdivision of the Cameron Parish Police Jury "Jury" that reports to the Jury. As used in GASB Statement No 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. The District only does certain of the above functions and it's board members are also appointed by the Jury, Thus the District is classified as a component unit.



CAMERON PARISH WATERWORKS District No. 2  
December 31, 2005

Notes to the Financial Statements

Basis of Presentation

As stated above, effective January 1, 2002, the District adopted the provisions of Statement No. 34 and Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- \* Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- \* Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.
- \* Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of any related debt."

Fund Accounting

Effective January 1, 2002, the accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CAMERON PARISH WATERWORKS District No. 2  
December 31, 2005

Notes to the Financial Statements

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds follow GAAP prescribed by the Government Accounting Standards Board and Financial Accounting Standards Board's Standards issue prior to November 30, 1989. Enterprise funds are accounted for on a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operating of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in total net assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with its principal ongoing operations. The principal operating revenues of the District are charges for water sales. Operating expenses include costs of providing water services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

All purchased capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation of all exhaustible capital assets is charged against operations. Depreciation is computed over the estimated useful lives ranging from 5 to 45 years using the straight-line method.

## CAMERON PARISH WATERWORKS DISTRICT NO. 2

December 31, 2005

## Notes to the Financial Statements

Compensated Absences

Vested or accumulated vacation and sick leave are recorded on the Cameron Parish Police Jury records as the benefits accrued to employees. No liability is recorded for compensated absences that relate to future service or that are contingent on a specific event that is outside the control of the employer and employees.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**2. CASH AND INVESTMENT COLLATERAL**

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 2005, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	<u>\$ 81,782</u>	<u>\$ 199,724</u>	<u>\$ 281,506</u>

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) was \$281,506, bank balances were \$326,490. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$200,000
Uncollateralized (In accordance with GAAP - See below)	<u>\$158,351</u>
	<u>\$358,351</u>

December 31, 2005

## Notes to the Financial Statements

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$179,436 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

Receivables at December 31, 2005 consist of the following:

Ad valorem taxes--unrestricted	\$ 163,560
State revenue sharing	1,103
Accrued interest receivable	1,736
Accounts	10,107
FEMA	<u>157,090</u>

Net total receivables	<u>\$ 333,596</u>
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The amount included in the ad valorem receivable on the balance sheet is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish

For the year ended December 31, 2005, taxes of 5.66 mils was levied on property with assessed valuation totaling at \$18,105,293 and was dedicated to the operations of the water district.

The total amount levied was \$102,476. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$103,593.

December 31, 2005

## Notes to the Financial Statements (Continued)

## 4. CHANGES IN CAPITAL ASSETS

	Balance <u>12/31/04</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/05</u>
Land	\$ 1,000	\$ ---	\$ ---	\$ 1,000
Buildings	127,587	---	(92,161)	35,426
Plant	538,635	---	(80,725)	457,910
Improvements other than building	464,299	---	---	464,299
Furniture & Equipment	<u>122,624</u>	<u>---</u>	<u>(63,575)</u>	<u>59,049</u>
Totals	<u>\$1,254,145</u>	<u>---</u>	<u>(236,451)</u>	\$ 1,017,684
Accumulated depreciation				<u>(715,749)</u>
Net capital assets				<u>\$ 301,935</u>

Depreciation expense included in the financial statements for the fiscal year is \$25,453.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Building	15 years
Improvements other than building	45 years
Furniture and equipment	3-10 years
Plant	45 years

December 31, 2005

## Notes to the Financial Statements (Continued)

**5. PENSION PLAN**

The District participates in a pension plan operated by the Cameron Parish Police Jury and disclosures for that plan are included in the Police Jury's audit report.

**6. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

LIMITS  
OF  
COVERAGE

Workmen's compensation	\$ 225,000
Auto liability	1,000,000
Commercial general liability	2,000,000
District-owned buildings and equipment	196,415

The District covers all other losses, claim settlements, and judgments from operating restyles. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



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W. Micheal Elliott, CPA

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS  
PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Cameron Parish Waterworks District No. 2

I have audited the financial statements of the Cameron Parish Waterworks District No. 2 as of and for the year ended December 31, 2005, and have issued my report thereon dated June 22, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Cameron Parish Waterworks District No. 2's basic financial statements are free of material misstatement, my performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, my do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, my considered the Cameron Parish Waterworks District No. 2's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provided assurance on the internal control over financial reporting. My noted no matters involving the internal control over financial reporting and its operations that my consider to be a reportable condition. Reportable conditions involving matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over of financial reporting that , in my judgement, could adversely affect the Cameron Waterworks

District No. 2's ability to record, process, summarize and report financial data consistent with the assertions of management in basic financial statements.

A material weakness is a condition in which the design or the operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be a material weaknesses. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies and the Louisiana Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by Legislative Auditor as a public document.

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
June 22, 2006

CAMERON WATERWORKS DISTRICT NO 2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED December 31, 2005

SECTION 1- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? ☐ yes ☒ no

Reportable conditions identified  
that are not considered to be  
material weaknesses? ☐ yes ☒ no

Noncompliance material to financial  
statements noted? ☐ yes ☒ no

Management's Summary Schedule of Prior  
Audit Findings Not applicable

Memorandum of Other Comments  
and Recommendations Not applicable

Management's Corrective Action Plan Not applicable

Federal Awards Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

Not applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

CAMERON PARISH WATERWORKS DISTRICT 2  
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED December 31, 2005

SECTION I    INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material to the financial statements.

SECTION II   INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

## SUPPLEMENTARY INFORMATION

**CAMERON WATERWORKS DISTRICT NO 2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED December 31, 2005**

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution NO. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the Board Members received \$60 per diem per meeting during 2005.

	Number <u>Attended</u>	<u>Amount</u>
Alton Schexnider	14	\$ 840
Donald Broussard	14	840
Anthony Hicks	14	840
Richard Erickson	13	780
Darrell Duhon	<u>12</u>	<u>720</u>
Totals	<u>67</u>	<u>\$4,020</u>